

TOWN OF NOBLEFORD

Consolidated Financial Statements

For the year ended December 31, 2023

TOWN OF NOBLEFORD
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For the year ended December 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To: The Mayor and Members of Council of
the Town of Nobleford

Qualified Opinion

We have audited the accompanying consolidated financial statements of the Town of Nobleford which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statements of operations, change in net financial assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the town as at December 31, 2023, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

As discussed in note 2 to the financial statements, the Town has not adopted the new accounting standard PS 3280 Asset Retirement Obligations, which constitutes a departure from Canadian public sector accounting standards. As a result, we were unable to determine whether any adjustments might be necessary to tangible capital assets, asset retirement obligations, and accumulated surplus as at December 31, 2023, or to revenue and expenses for the year then ended.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Town in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Town's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Town or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Town's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and

INDEPENDENT AUDITOR'S REPORT, continued

maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Town's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Lethbridge, Alberta

April 9, 2024



Chartered Professional Accountants

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management of the Town of Nobleford is responsible for the preparation, accuracy, objectivity and integrity of the accompanying consolidated financial statements and all other information contained within this Financial Report. Management believes that the consolidated financial statements present fairly the Town's financial position as at December 31, 2023 and the results of its operations for the yearend then ended.

The consolidated financial statements have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards (PSAS).

The consolidated financial statements include certain amounts based on estimates and judgments. Such amounts have been determined on a reasonable basis in order to ensure the consolidated financial statements are presented fairly in all material respects.


In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has designed and maintains a system of internal controls to produce reliable information and to meet reporting requirements on a timely basis. The system is designed to provide management with reasonable assurance that transactions are properly authorized and assets are properly accounted for and safeguarded.

These systems are monitored and evaluated by management and reliable financial information is available for preparation of the consolidated financial statements.

The Town Council carries out its responsibilities for review of the consolidated financial statements principally through its Finance and Administration. Council meets regularly with management and external auditors to discuss the results of audit examinations and financial reporting matters.

The external auditors have full access to the Audit Committee with and without the presence of management. The Town Council has approved the consolidated financial statements.

The consolidated financial statements have been audited by Avail LLP Chartered Professional Accountants, the independent external auditors appointed by the Town. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of the examination and their opinion on the Town's consolidated financial statements.



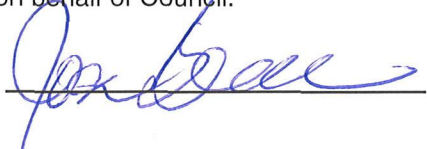
Town Administrator

TOWN OF NOBLEFORD
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2023

	2023	2022
Financial assets		
Cash and temporary investments (note 3)	\$ 3,365,324	\$ 3,290,298
Taxes and grants in place of taxes receivable (note 4)	29,434	28,714
Trade and other receivables (note 5)	441,709	258,895
Land held for resale	458,587	479,491
Investments	-	980,863
	4,295,054	5,038,261
Liabilities		
Accounts payable and accrued liabilities	107,710	23,510
Deposits (note 6)	28,039	16,039
Deferred revenue (note 7)	9,243	52,226
Long-term debt (note 8)	149,862	169,295
	294,854	261,070
Net financial assets	4,000,200	4,777,191
Tangible capital assets (schedule 1)	18,187,573	14,113,212
Accumulated surplus (note 9 and schedule 2)		
Accumulated operating surplus	22,187,773	18,890,403
Accumulated remeasurement gains (losses)	-	-
	\$ 22,187,773	\$ 18,890,403

Commitments and contingencies (note 22)

Approved on behalf of Council:

Councillor 

Councillor 

TOWN OF NOBLEFORD
CONSOLIDATED STATEMENT OF OPERATIONS
For the year ended December 31, 2023

	Budget (Unaudited)	2023	2022
Revenue			
Net municipal property taxes (note 12)	\$ 590,228	\$ 589,915	\$ 539,953
User fees and sales of goods	1,000,300	1,134,200	1,041,879
Government transfers for operating (note 13)	47,042	42,942	227,048
Investment income	101,200	230,566	95,334
Penalties and costs of taxes	10,200	11,504	13,572
Licenses and permits	15,610	13,201	16,769
Franchise and concession contracts	74,000	75,005	-
Gain on sale of land held for resale	110,000	683,290	-
	<u>1,948,580</u>	<u>2,780,623</u>	<u>1,934,555</u>
Expenses (note 14)			
General government			
Legislative	47,000	30,930	27,727
Administration	446,300	470,154	434,883
Protective services			
Protective services	261,022	283,714	243,499
Transportation services			
Common and equipment pool	58,668	55,468	50,377
Roads, streets, walks and lighting	276,900	268,709	457,800
Environmental use and protection			
Water supply and distribution	558,899	554,884	439,177
Wastewater treatment and disposal	90,483	94,417	87,952
Waste management	136,250	135,106	118,788
Public health and welfare			
Family and community support services	11,550	11,504	10,020
Planning and development			
Planning and development	27,600	27,146	26,199
Recreation and culture			
Recreation and culture	191,121	204,824	171,889
	<u>2,105,793</u>	<u>2,136,856</u>	<u>2,068,311</u>
(Deficiency) excess of revenue over expenses before capital revenue	(157,213)	643,767	(133,756)
Capital revenue			
Government transfers for capital (note 13)	2,257,812	2,653,603	394,583
Excess of revenue over expenses	2,100,599	3,297,370	260,827
Accumulated operating surplus, beginning of year	18,890,403	18,890,403	18,629,576
Accumulated operating surplus, end of year	\$ 20,991,002	\$ 22,187,773	\$ 18,890,403

TOWN OF NOBLEFORD
CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS AND LOSSES
For the year ended December 31, 2023

	2023	2022
Accumulated remeasurement gains (losses), beginning of year	\$ -	\$ -
Unrealized gains (losses) attributable to:		
Equity investments	-	-
Amounts reclassified to statements of operations:		
Equity investments realized gains	-	-
Net remeasurement gains (losses) for the year	-	-
Accumulated remeasurement gains (losses), end of year	\$ -	\$ -

TOWN OF NOBLEFORD
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the year ended December 31, 2023

	Budget (Unaudited)	2023	2022
Excess of revenue over expenses	\$ 2,100,599	\$ 3,297,370	\$ 260,827
Acquisition of tangible capital assets	(5,095,950)	(4,677,709)	(517,679)
Amortization of tangible capital assets	606,663	603,348	512,093
	(4,489,287)	(4,074,361)	(5,586)
Increase in net financial assets	(2,388,688)	(776,991)	255,241
Net financial assets, beginning of year	4,777,191	4,777,191	4,521,950
Net financial assets, end of year	\$ 2,388,503	\$ 4,000,200	\$ 4,777,191

TOWN OF NOBLEFORD
CONSOLIDATED STATEMENT OF CASH FLOW
For the year ended December 31, 2023

	2023	2022
Operating transactions		
Excess of revenue over expenses	\$ 3,297,370	\$ 260,827
Adjustments for items which do not affect cash		
Amortization of tangible capital assets	603,348	512,093
	3,900,718	772,920
Net change in non-cash working capital items		
Taxes and grants in place of taxes receivable	(720)	(9,668)
Trade and other receivables	(182,814)	(46,850)
Land held for resale	20,904	-
Accounts payable and accrued liabilities	84,200	(46,368)
Deposits	12,000	-
Deferred revenue	(42,983)	(148,118)
Cash provided by operating transactions	3,791,305	521,916
Capital transactions		
Acquisition of tangible capital assets	(4,677,709)	(517,679)
Investing transactions		
Increase (decrease) in investments	980,862	(25,735)
Financing transactions		
Repayment of long-term debt	(19,432)	(18,583)
Increase (decrease) in cash and temporary investments	75,026	(40,081)
Cash and temporary investments, beginning of year	3,290,298	3,330,379
Cash and temporary investments, end of year	\$ 3,365,324	\$ 3,290,298

TOWN OF NOBLEFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

1. Significant accounting policies

The consolidated financial statements of the Town of Nobleford are the representations of management prepared in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Town are as follows:

(a) Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenue and expenses, changes in fund balances and change in financial position of the reporting entity which comprises all of the organizations that are owned or controlled by the Town and are, therefore, accountable to the Council for the administration of their financial affairs and resources.

Taxes levied also includes requisitions for educational, health care, social and other external organizations that are not part of the municipal reporting entity.

The statements exclude trust assets that are administered for the benefit of external parties. Interdepartmental and organizational transactions and balances are eliminated.

(b) Basis of accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

(c) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expense during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

TOWN OF NOBLEFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

1. Significant accounting policies, continued

(d) Investments

Investments in derivatives and equity instruments quoted in an active market are carried at fair value with transactions costs expensed upon initial recognition. Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses. When the investment is disposed of the accumulated gains or losses are reclassified to the statement of operations.

Investments in interest bearing securities are recorded at amortized cost. Investment premiums and discounts are amortized on the net present value basis over the term of the respective investments. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

(e) Inventories for resale

Land held for resale is recorded at the lower of cost and net realizable value. Cost includes costs for land acquisition and improvements required to prepare the land for servicing such as clearing, stripping, and leveling charges. Related development costs incurred to provide infrastructure such as water and waste water services, roads, sidewalks, and street lighting are recorded as physical assets under their respective function.

(f) Requisition over-levy and under-levy

Over-levies and under-levies arise from the difference between the actual property tax levy made to cover each requisition and the actual amount requisitioned.

If the actual levy exceeds the requisition, the over-levy is accrued as a liability and property tax revenue is reduced. Where the actual levy is less than the requisition amount, the under-levy is accrued as a receivable and as property tax revenue.

Requisition tax rates in the subsequent year are adjusted for any over-levies or under-levies of the prior year.

(g) Contaminated sites liability

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of a contaminated site is recognized when a site is not in productive use and is management's estimate of the cost of post-remediation including operation, maintenance and monitoring.

(h) Deferred revenue

Deferred revenue represent government transfers, donations, and other amounts which have been collected, but for which the related services have yet to be performed or agreement stipulations have not been met. These amounts will be recognized as revenues when revenue recognition criteria have been met. Interest earned on deferred revenues, reserves, and offsite levies are calculated using an average investment earnings monthly.

(i) Long-term debt

Long-term debt is initially recognized net of any premiums, discounts, fees and transactions costs, with interest expense recognized using the effective interest method. Long-term debt is subsequently measured at amortized cost.

TOWN OF NOBLEFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

1. Significant accounting policies, continued

- (j) Revenue recognition
Revenue from transactions with no performance obligation is recognized at realizable value when the Town has the authority to claim or retain an inflow of economic resources and identifies a past transaction or event giving rise to an asset.

Revenue from transactions with performance obligations is recognized as the performance obligations are satisfied by providing the promised goods or services to the payor. User fees are recognized over the period of use, sales of goods are recognized when goods are delivered. Licenses and permits with a single performance obligation at a point in time are recognized as revenue on issuance, those which result in a continued performance obligation over time are recognized over the period of the license or permit as the performance obligation is satisfied.

- (k) Tax revenue
Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred.

Requisitions operate as a flow through and are excluded from municipal revenue.

- (l) Non-financial assets
Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the consolidated Change in Net Financial Assets for the year.

- (i) Tangible capital assets
Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

	Years
Land improvements	10-25
Buildings	25-50
Engineered structures	5-75
Machinery and equipment	5-40
Vehicles	10-40

Assets under construction are not amortized until the asset is available for productive use.

- (ii) Contributions of tangible capital assets
Tangible capital assets received as contributions are recorded at fair value at the date of receipt and also are recorded as revenue.

TOWN OF NOBLEFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

1. Significant accounting policies, continued

(iii) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

(m) Valuation of financial assets and liabilities

The Town's financial assets and financial liabilities are measured as follows:

<u>Financial statement component</u>	<u>Measurement</u>
Cash	Cost and amortized cost
Short-term investments	Amortized cost
Trade and other receivables	Lower of cost or net recoverable value
Investments	Fair value and amortized cost
Accounts payable and accrued liabilities	Cost
Deposit liabilities	Cost
Bank indebtedness and long-term debt	Amortized cost

(n) Government transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.

Government transfers are recognized in the financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

TOWN OF NOBLEFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

1. Significant accounting policies, continued

(o) Future change in accounting policy

The following summarizes upcoming changes to Canadian public sector accounting standards. In 2023, the Town will continue to assess the impact and prepare for the adoption of these standards. While the timing of standard adoption may vary, certain standards must be adopted concurrently.

a) Revenue

PS3400, Revenue establishes standards on how to account for and report on revenue, specifically in regard to revenue arising from transactions with performance obligations (exchange transactions) and those without performance obligations (non-exchange transactions). This standard is applicable for fiscal years beginning on or after April 1, 2023.

b) Purchased Intangibles

PSG-8, Purchased Intangibles, allows for purchased intangible assets to be recognized as assets in the public sector entity's financial statements. This standard is applicable for fiscal years beginning on or after April 1, 2023.

c) Public Private Partnerships

PS3160, Public Private Partnerships, establishes standards on how to account for certain arrangements between public and private entities. The standard provides guidance on situations where a public entity acquires infrastructure asset past the point where it is ready for use. This standard is applicable for fiscal years beginning on or after April 1, 2023.

2. Change in accounting policy

Effective January 1, 2023, the new accounting standard PS 3280 Asset Retirement Obligations became effective. The standard provides guidance on how to account for and report a liability for retirement of tangible capital assets, and was intended to be applied using the modified retroactive approach with restatement of prior year comparative information.

The Town has not yet adopted the new standard and is assessing its impact on future operations.

3. Cash and temporary investments

	2023	2022
Cash	\$ 560,345	\$ 1,085,640
Temporary investments	2,804,979	2,204,658
	\$ 3,365,324	\$ 3,290,298

The temporary investments are comprised of short term securities and high interest savings accounts with interest rates of prime less 1.65% to 1.75%

TOWN OF NOBLEFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

4. Taxes and grants in place of taxes receivables

	2023	2022
Current year	\$ 13,905	\$ 17,038
Arrears	15,529	11,676
	<u>\$ 29,434</u>	<u>\$ 28,714</u>

5. Trade and other receivables

	2023	2022
Alberta Municipal Waste/Wastewater Partnership	\$ 260,275	\$ 17,277
Utilities	120,602	115,169
Lethbridge County	30,994	46,534
GST	19,904	17,565
Franchise fee	6,975	-
Trade accounts	2,959	3,506
Accrued interest and other	-	8,844
Alberta Community Partnership	-	50,000
	<u>\$ 441,709</u>	<u>\$ 258,895</u>

6. Deposits

	2023	2022
Deposits on land sales	\$ 16,039	\$ 16,039
Landscaping deposits	12,000	-
	<u>\$ 28,039</u>	<u>\$ 16,039</u>

7. Deferred revenue

	2023	2022
Community Foundation of Lethbridge and Southwest Alberta	\$ 9,243	\$ -
Canada Community Building Fund	-	28,523
Municipal Sustainability Initiative	-	23,703
	<u>\$ 9,243</u>	<u>\$ 52,226</u>

TOWN OF NOBLEFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

8. Long-term debt

	2023	2022
Tax supported debenture - capital	\$ 149,862	\$ 169,295
Current portion	\$ 20,320	\$ 19,432

Principal and interest repayments are due as follows:

	Principal	Interest	Total
2024	\$ 20,320	\$ 6,544	\$ 26,864
2025	21,249	5,615	26,864
2026	22,220	4,645	26,865
2027	23,234	3,629	26,863
2028	24,296	4,322	28,618
Thereafter	38,543	1,457	40,000
	\$ 149,862	\$ 26,212	\$ 176,074

Debenture debt is repayable to Alberta Capital Finance Authority and bears interest at 4.518 per annum and matures in 2030. For qualifying debentures, the Province of Alberta rebates 60% of interest in excess of 8%, 9%, and 11% to a maximum annual rate of 12.5%, depending on the date borrowed. Debenture debt is issued on the credit and security of the Town of Nobleford at large.

Interest on long-term debt amounted to \$7,393 (2022 - \$8,244).

The Town's total cash payments for interest in 2023 were \$7,432 (2022 - \$8,281).

TOWN OF NOBLEFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

9. Accumulated operating surplus

Accumulated operating surplus consists of internally restricted and unrestricted amounts and equity in tangible capital assets as follows:

	2023	2022
Unrestricted surplus	\$ 63,464	\$ 100,000
Internally restricted reserves (note 11)	4,086,598	4,846,486
Equity in tangible capital assets (note 10)	18,037,711	13,943,917
	\$ 22,187,773	\$ 18,890,403

10. Equity in tangible capital assets

	2023	2022
Tangible capital assets (schedule 1)	\$ 29,229,102	\$ 24,551,393
Accumulated amortization (schedule 1)	(11,041,529)	(10,438,181)
Long-term debt (note 8)	(149,862)	(169,295)
	\$ 18,037,711	\$ 13,943,917

11. Reserves

Council has set up reserves for various purposes. These reserves are either required by legislation or set up at the discretion of Council to provide funding for future expenses.

	2023	2022
Operating		
Operating contingency	\$ 1,125,280	\$ 1,125,280
Emergency services	118,664	45,964
Roads/street	290,960	205,960
Water treatment plant	27,412	983,981
Utility	551,435	466,435
Residential subdivision	1,446,235	1,335,885
Environmental	125,121	125,121
	3,685,107	4,288,626
Capital		
Capital contingency	401,491	557,860
	\$ 4,086,598	\$ 4,846,486

TOWN OF NOBLEFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

12. Net municipal property taxes

	Budget (Unaudited)	2023	2022
Net municipal taxes (after requisitions)			
Real property taxes	\$ 590,228	\$ 589,915	\$ 539,953
	590,228	589,915	539,953
Requisitions			
Alberta School Foundation Fund	473,810	473,804	431,640
Green Acres Foundation	26,110	26,106	23,526
	\$ 499,920	\$ 499,910	\$ 455,166

13. Government transfers

	Budget (Unaudited)	2023	2022
Transfers for operating:			
Provincial government	\$ 47,042	\$ 42,942	\$ 227,048
	47,042	42,942	227,048
Transfers for capital:			
Provincial government	2,257,812	2,653,603	394,583
	\$ 2,304,854	\$ 2,696,545	\$ 621,631

14. Expenses by object

	Budget (Unaudited)	2023	2022
Salaries, wages and benefits	\$ 635,880	\$ 651,498	\$ 512,660
Contracted and general services	457,030	465,953	635,750
Materials, goods, supplies and utilities	397,270	407,907	398,358
Bank charges and short-term interest	1,000	657	706
Interest on long-term debt	7,450	7,393	8,244
Transfers to organizations and others	500	100	500
Amortization of tangible capital assets	606,663	603,348	512,093
	\$ 2,105,793	\$ 2,136,856	\$ 2,068,311

TOWN OF NOBLEFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

15. Debt limits and debt servicing limit

Section 276(2) of the Municipal Government Act requires that debt and debt limits as defined by Alberta Regulation 255/00 for the Town be disclosed as follows:

	2023	2022
Total debt limit	\$ 4,170,935	\$ 2,901,833
Total debt	149,862	169,295
	\$ 4,021,073	\$ 2,732,538
Debt servicing limit	\$ 695,156	\$ 483,639
Debt servicing	26,864	26,864
	\$ 668,292	\$ 456,775

The debt limit is calculated at 1.5 times revenue of the municipality (as defined in Alberta Regulation 255/00) and the debt service limit is calculated at 0.25 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities which could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the municipality. Rather, the financial statements must be interpreted as a whole.

TOWN OF NOBLEFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

16. Salary and benefits disclosure

Disclosure of salaries and benefits for elected municipal officials, the chief administrative officer and designated officers as required by Alberta Regulation 313/2000 is as follows:

	(1)	(2)	2023	2022
	Salary	Benefits & allowances		
Council				
Joan Boeder	\$ 5,950	\$ 2,544	\$ 8,494	\$ 8,125
Melissa Jensen	4,100	2,161	6,261	3,850
Bill Oudshoorn	4,200	1,442	5,642	8,444
Corne Mans	-	-	-	1,450
Marinus de Leeuw	-	-	-	-
Joe Hutter	133,000	19,554	152,554	126,519
Chris Snelgrove	\$ 11,611	-	\$ 11,611	\$ 11,400

(1) Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct cash remuneration.

(2) Benefits and allowances include the employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, long- and short-term disability plans, professional memberships, and tuition.

Benefits and allowances figures also include the employer's share of the costs of additional taxable benefits including special leave with pay, financial planning services, retirement planning services, concessionary loans, travel allowances, car allowances, and club memberships.

(3) During 2023 Councillor Marinus de Leeuw and Corne Mans waived their benefits in the amount of \$5,300 and \$5,200 respectively. (2022 - \$6,150 and \$4,200 respectively)

TOWN OF NOBLEFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

17. Local authorities pension plan

Employees of the Town participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the Alberta Public Sector Pensions Plans Act. The LAPP is financed by the employer and employee contributions and by investment earnings of the LAPP Fund.

Contributions for current service are recorded as expenditures in the year in which they become due.

The Town is required to make current service contributions to the LAPP of 8.45% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 12.23% on pensionable earnings above this amount.

Total current service contributions by the Town to the LAPP in 2023 were \$32,835 (2022 - \$27,208). Total current service contributions by the employees of the Town to the LAPP in 2023 were \$29,253 (2022 - \$24,317).

At December 31, 2022, the LAPP disclosed an actuarial surplus of \$12.67 billion.

18. Financial instruments

The Town's financial instruments consist of cash and temporary investments, accounts receivable, investments, accounts payable and accrued liabilities, and long-term debt. It is management's opinion that the Town is not exposed to significant interest or credit risk arising from these financial instruments.

The Town is subject to credit risk with respect to taxes and grants in place of taxes receivables and trade and other receivables. Credit risk arises from the possibility that taxpayers and entities to which the Town provides services may experience financial difficulty and be unable to fulfil their obligations. The large number and diversity of taxpayers and customers minimizes the credit risk.

Unless otherwise noted, the carrying value of the financial instrument approximates fair value.

TOWN OF NOBLEFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

19. Budget amounts

The 2023 budget for the Town was approved by Council on March 14, 2023 and has been reported in the consolidated financial statements for information purposes only. These budget amounts have not been audited, reviewed, or otherwise verified.

The approved budget contained reserve transfers, capital additions and principal payments on debt as expenditures. Since these items are not included in the amounts reported in the consolidated financial statements, they have been excluded from the budget amounts presented in these financial statements.

In addition, the approved budget did not contain an amount for amortization expense. In order to enhance comparability, the actual amortization expense has been included as a budget amount.

Budgeted surplus per financial statements	\$ 2,100,599
Less: Capital expenditures	(5,095,950)
Long-term debt repayments	(19,450)
Transfers to reserves	(430,000)
Add: Amortization of tangible capital assets	606,663
Transfers from reserves	2,838,138
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Equals: Balanced budget	\$ -
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20. Contaminated sites liability

The Town has adopted PS3260 liability for contaminated sites. The Town did not identify any financial liabilities in 2023 (2022 - nil) as a result of this standard.

21. Comparative figures

Certain comparative figures have been reclassified to conform to the financial statement presentation adopted in the current year.

22. Commitments and contingencies

The Town has future commitments to complete Town office renovations. The cost to the Town is estimated to be \$274,000 and it will be funded by capital contingency reserve. The cost to date is \$50,000 which has been included in construction in progress.

23. Approval of financial statements

These financial statements were approved by Council and Management.

TOWN OF NOBLEFORD
SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

Schedule of tangible capital assets

Schedule 1

	Land	Land improvements	Buildings	Engineered structures	Machinery and equipment	Vehicles	Construction in progress	2023	2022
Cost:									
Balance, beginning of year	\$ 1,047,310	\$ 771,408	\$ 2,204,568	\$ 19,642,857	\$ 24,885	\$ 791,235	\$ 69,130	\$ 24,551,393	\$ 24,033,714
Acquisitions	68,580	17,457	-	4,352,791	-	-	238,881	4,677,709	517,679
Transfers	-	51,238	-	17,892	-	-	(69,130)	-	-
Balance, end of year	1,115,890	840,103	2,204,568	24,013,540	24,885	791,235	238,881	29,229,102	24,551,393
Accumulated amortization:									
Balance, beginning of year	-	514,593	1,469,672	8,039,349	22,390	392,177	-	10,438,181	9,926,088
Annual amortization	-	38,820	46,600	464,802	500	52,626	-	603,348	512,093
Balance, end of year	-	553,413	1,516,272	8,504,151	22,890	444,803	-	11,041,529	10,438,181
Net book value	\$ 1,115,890	\$ 286,690	\$ 688,296	\$ 15,509,389	\$ 1,995	\$ 346,432	\$ 238,881	\$ 18,187,573	\$ 14,113,212
2022 net book value	\$ 1,047,310	\$ 256,815	\$ 734,896	\$ 11,603,508	\$ 2,495	\$ 399,058	\$ 69,130	\$ 14,113,212	

There were no assets acquired as contributed tangible capital assets in 2023 (2022 - nil).

TOWN OF NOBLEFORD
SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

Schedule of changes in accumulated operating surplus
Schedule 2

	Unrestricted	Restricted reserves	Equity in tangible capital assets	2023	2022
Balance, beginning of year	\$ 100,000	\$ 4,846,486	\$ 13,943,917	\$ 18,890,403	\$ 18,629,576
Excess of revenue over expenses	3,297,370	-	-	3,297,370	260,827
Unrestricted funds designated for future use	(1,280,787)	1,280,787	-	-	-
Restricted funds used for tangible capital assets	-	(2,040,675)	2,040,675	-	-
Current year funds used for tangible capital assets	(2,637,034)	-	2,637,034	-	-
Amortization of tangible capital assets	603,348	-	(603,348)	-	-
Long-term debt related to tangible capital assets repaid	(19,433)	-	19,433	-	-
Change in accumulated surplus	(36,536)	(759,888)	4,093,794	3,297,370	260,827
Balance, end of year	\$ 63,464	\$ 4,086,598	\$ 18,037,711	\$ 22,187,773	\$ 18,890,403

TOWN OF NOBLEFORD
SCHEDULE TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2023

Schedule of segmented disclosure								Schedule 3
	General government	Protective services	Transportation services	Environmental services	Public health services	Planning and development	Recreation and culture	Total
Revenue								
Net municipal property taxes	\$ 589,915	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 589,915
User fees and sales of goods	21,990	247,421	41,370	793,851	-	-	29,568	1,134,200
Government transfers for operating	-	-	42,942	-	-	-	-	42,942
Investment income	230,566	-	-	-	-	-	-	230,566
Penalties and costs of taxes	6,805	-	-	4,699	-	-	-	11,504
Licenses and permits	-	4,963	-	-	-	8,238	-	13,201
Franchise and concession contracts	75,005	-	-	-	-	-	-	75,005
Gain on sale of land held for resale	-	-	-	-	-	683,290	-	683,290
	924,281	252,384	84,312	798,550	-	691,528	29,568	2,780,623
Expenses								
Salaries, wages and benefits	304,419	82,468	38,496	166,174	-	-	59,941	651,498
Contracted and general services	153,164	109,798	12,549	147,958	11,504	27,146	3,834	465,953
Materials, goods, supplies and utilities	32,544	49,296	113,095	141,649	-	-	71,323	407,907
Bank charges and short-term interest	657	-	-	-	-	-	-	657
Interest on long-term debt	-	-	-	7,393	-	-	-	7,393
Transfers to organizations and others	-	-	-	-	-	-	100	100
Amortization of tangible capital assets	10,300	42,153	160,037	321,232	-	-	69,626	603,348
	501,084	283,715	324,177	784,406	11,504	27,146	204,824	2,136,856
Excess (deficiency) of revenue over expenses before capital revenue	423,197	(31,331)	(239,865)	14,144	(11,504)	664,382	(175,256)	643,767
Other								
Government transfers for capital	-	-	5,997	2,539,077	-	-	108,529	2,653,603
Excess (deficiency) of revenue over expenses	\$ 423,197	\$ (31,331)	\$ (233,868)	\$ 2,553,221	\$ (11,504)	\$ 664,382	\$ (66,727)	\$ 3,297,370